

# ELTEK SUPPLIER CODE OF CONDUCT

ELTEK'S POLICY IS TO CONDUCT ITS WORLDWIDE OPERATIONS IN ACCORDANCE WITH ALL APPLICABLE LAWS AND THE HIGHEST BUSINESS ETHICAL STANDARDS

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## 1. Introduction

References to "Eltek" or "the Company" or "Group" in this policy are meant to include references to Eltek AS and all entities of the Eltek Group.

Eltek's policy as laid out in the Company's Code of Conduct is to conduct its worldwide operations in accordance with the highest business ethical standards, to comply with the laws of the countries in which the Company operates, and to conform to locally accepted standards of good corporate citizenship.

In order to ensure alignment across the supply chain, Eltek expects its suppliers to adopt similar principles, and endeavor to have their sources in the supply chain do so as well. To clarify what we expect from our suppliers, Eltek has developed a Supplier Code of Conduct to specify what behaviors and practices the Company expects to see demonstrated and complied with by our suppliers and their subsidiaries, affiliates and subcontractors.

A breach of this Supplier Code of Conduct will be considered a breach of the contract with Eltek and may lead to the termination of the business relationship with the Company.

Eltek will systematically assess suppliers' conformance to the Company's expectations, consider suppliers' progress in terms of meeting these expectations and their ongoing performance in making lawful and ethical sourcing decisions.

## 2. Anti-Corruption

Eltek suppliers shall not actively or passively take action of any forms of corruption. Corruption includes bribery and trading in influence and exists when acts or attempts are made to give or actively offer, require, receive or passively accept an improper advantage in connection with a position, office or assignment. "Improper advantages" includes, but is not limited to, cash, cash equivalents, gifts, credits, discounts, travel, personal benefits, accommodation or services, etc. This ban also applies for improperly seeking to influence someone else in their position, engagement or task, whether at Eltek or in the public or private sector.

No Eltek supplier shall use its relationship with Eltek to disguise or attempt to disguise the sources of illegally obtained funds (money laundering).

Eltek suppliers shall not be part of any breach of general or special competition regulations, such as illegal cooperation on pricing, illegal market sharing or any other behavior that is in breach of relevant competition laws.

Eltek suppliers accounting processes shall ensure that all transactions relevant to its Eltek supplier status are correctly registered in accordance with local law and good accounting practices. The documentation must be proper and transparent and clearly explain the purpose and nature of the underlying transaction.

## 3. Intellectual property

Eltek suppliers must safeguard Eltek's intellectual property from unauthorized access, sharing and illegitimate use, and are required to protect and process Eltek's intellectual property in the interest of Eltek. Eltek suppliers shall respect the intellectual property of others, and comply with all confidentiality obligations regarding trade secrets disclosed by third parties.

## 4. Confidentiality

Eltek's suppliers shall keep confidential all Eltek matters that could give third parties unauthorized access to confidential information. If confidential information is to be shared with other parties, the supplier must seek Eltek's authorization in writing in advance, and ensure that a written confidentiality agreement is in place. The duty of confidentiality also applies after the business relationship with Eltek is concluded for as long as the information is considered to be of a sensitive nature or in any other way confidential.

## 5. Health, safety, employee security, Human worth and Working environment

Eltek suppliers must comply with all applicable health and safety laws and regulations, and commit to protecting the health and safety of its employees.

Eltek suppliers must support and respect internationally proclaimed human rights including those specified in the UN declaration and conventions and the International Labour Organization's core conventions. Eltek suppliers shall respect the personal dignity, privacy and rights of each individual with whom he/she interact as an Eltek supplier, and shall not contribute to violation or circumvention of human rights.

Eltek suppliers must be committed to providing a working environment for its employees that is positive and professional, and that respects the International Labour Organization's fundamental conventions, including the right to freedom of association, the right to collective bargaining, and local minimum wage and maximum working hour's requirements.

Eltek suppliers shall not employ or contract child labor as described in the ILO Convention No. 138 or any form of forced or compulsory labor. Indirect or direct discriminatory practices or harassment of any kind must not be tolerated.

Eltek is opposed to all discriminatory practices. No direct or indirect negative discrimination shall take place because of religion, skin color, gender, sexual orientation, age, national or social origin, race, disability, language, employee representation, or political or other opinions.

We do not tolerate bullying, mental or sexual harassment, discriminatory gestures, language or physical contact that is or can be perceived as sexual, coercive, degrading, threatening, abusive or exploitative.

## 6. Nature and environment

Eltek expects its suppliers to conduct their operations with due regard for its environmental impact and in adherence with relevant laws and regulations, and local and internationally recognized standards.

### 6.1 Environmental Management System:

For contract manufacturers, Eltek requires that there is an Environmental Management System (EMS) in accordance with ISO 14001 or equivalent in place. The EMS must be implemented and functioning. Third party registration is strongly recommended but not required. For other suppliers, EMS requirement will be decided based on criticality and size of the supplier.

## **6.2 Material Disclosure:**

Eltek encourages its suppliers to provide environmentally preferred products. Specifically, suppliers are encouraged to create products that are energy efficient, highly recyclable and that contain significant amounts of recycled materials and low amounts of hazardous materials.

## **6.3 Ozone Depleting Substances:**

It is Eltek's policy to eliminate from Eltek's products any components — including components provided by our suppliers — that contain or that are manufactured with a process that uses any Class I ozone-depleting substance.

## **7. Responsible sourcing of minerals**

Suppliers will ensure that minerals, especially gold, tantalum, tungsten, tin or cobalt, are sourced from conflict-free zones and according to international laws and regulations.

## **8. Compliance**

### **8.1 Management commitment**

Suppliers shall implement or maintain, as applicable, a management system that facilitates compliance with the law and Eltek's Code of Conduct, that identifies and mitigates related operational risks, and that ensures continuous improvement.

Suppliers must ensure that its employees and managers that are directly or indirectly involved in the company's business relationship with Eltek understand the letter and intent of this Code.

### **8.2 Proper record keeping and Monitoring**

Suppliers must be able to demonstrate a satisfactory record of compliance with the law and Eltek's Code of Conduct in the conduct of its business. Suppliers will permit Eltek and/or a third party designated by Eltek to monitor and periodically evaluate supplier's record of compliance, its facilities and operations, and those of its subcontractors and any third parties that are providing goods or services to Eltek.

### **8.3 Declaration of Compliance**

Suppliers shall confirm its commitment to complying with this Supplier Code of Conduct by signing the Eltek Supplier Code of Conduct Declaration of Compliance.

## **9. Reporting**

Eltek suppliers' employees, managers, sub-contractors or other third parties, who become aware of any infringement of applicable laws or this Code, should immediately report these concerns in accordance with their internal rules and procedures, as well as to Eltek through one of the following channels:

- Eltek website [www.eltek.com/whistleblower](http://www.eltek.com/whistleblower)
- E-mail to the Eltek Group Compliance Officer at [compliance.officer@eltek.com](mailto:compliance.officer@eltek.com)
- E-mail to [board@eltek.com](mailto:board@eltek.com)

Suppliers shall protect any individual who, in a timely and responsible manner, reports infringements of Eltek's policies and procedures, applicable laws or other blameworthy circumstances related to Eltek's business.

## 10. References

- United Nations Global Compact: [www.unglobalcompact.org](http://www.unglobalcompact.org)
- International Labour Organization: [www.ilo.org](http://www.ilo.org)
- OECD Guidelines for Multinational Enterprises: [www.oecd.org](http://www.oecd.org)
- Transparency International: [www.transparency.org](http://www.transparency.org)